



ACHIM SZEPANSKI 2019-11-17

MARX AND CREDIT

ECONOFICTION FIKTIVES KAPITAL, KAPITAL, KREDIT, MARX, MARXISM

As a pure form of the "alienation of the capital relationship", as Marx writes, money and capital markets emerge, which today confirm day by day that credit money, government bonds and synthetic securities as fictitious or speculative capital determine the economy in the last instance. And when Vilém Flusser writes that the wooden spoon has become a pale shadow of the software program from which it originated (Flusser 1995: 189), today the so-called real economy coagulates into a super-pale shadow of synthetic finance, which does not function as a derivative as commonly assumed, but conversely makes the real economy its derivative. Synthetic finance, with its unbelievable simulation potential that indicates immense effectiveness, is much more "real" than the real economy. We will come back to this several times in this paper. In view of an algebra of capitalization with which financial economists today actually want to manage to calculate a present capital value to the second from the discounting of the expected return in the future, Marxist economists must no longer describe this type of economy solely in terms of the critical reproduction, however it may be, of the derivation or optional unfolding of Marxian categories, as Marx, for example, does in Bd. 3 of capital in order to insist on the analysis of the much invoked economic surface (forms of movement of plural capital/total capital). Nor is it a matter of outsourcing the analysis of fictitious/speculative capital, so to speak, by doing empirical research on "financial regimes and globalization"; rather, Marxist analysis and criticism should finally no longer shy away from devoting itself comprehensively to the phenomenon of monetary capitalization with all its monstrous forms of influencing, determining and encircling industrial capital or the "real economy". It really doesn't help to complain about the constant reference back to previous stages of derivation with regard to the analysis of the only extremely rudimentarily developed forms of capital in the third volume of capital, by arguing, for example, that fictitious capital and its forms are ultimately nothing other than derived forms of interest-bearing capital, whereby the so-called "capital of the real economy" is not the only form of capital that can be derived from the "capital of the real economy". Hegellinken even assumes that the concept of value pushes qua dialectical contradiction to the concept of capital up to the unfolded forms of fictitious capital, and in particular it seems quite annoying if the dialectic theoretical representation of capital is underpinned by a dialectical, real-historical process of capital movement. Marx's problem of representation is not based on a continuous enrichment of derivation steps, but on the respective discursive levels within the framework of problem constellations conceptual constellations are developed and at the same time previous conceptual positionings are destroyed or deconstructed. On the other hand, many Marxists still see themselves forced, for example, to assume a "speculative identity" between measure and value in money, which sets the automatic subject capital with its three forms of money in motion, as if Hegel's world spirit had actually experienced its resurrection in Marx's concept of capital, for which, however, Marx's text provides numerous proofs. Ultimately, it is perhaps Luhmann's underground Hegelianism that approaches the so-called pure forms of capital movement closer than Hegel-Marxism itself has done so far. (Cf. Schwengel 1978) When Marx often constructs breaks, translations and transitions in capital by stating a problem or a (logical) indeterminacy to the categorial representation on a specific level, which virtually challenges the transformation or break with the previous theoretical representation, this kind of fractal, or rather broken, systematics cannot be retroactively transformed into Hegel's motion logic in such a way that the dissolution of fixed forms within the framework of a sliding process (of concepts) always leads back to a logical center, even if it is that of a conceptual motion figure such as contradiction or the system itself. Rather, Marx often does nothing in capital other than formulate certain conceptual levels of capital with their relatively autonomous relations, elements and functional relations as problematics and constellations of concepts, in order to carry out analysis and critique according to the symptoms of the reality of capital, so that Marx's texts cannot be regarded precisely for this reason as a completed theoretical production, the structure of which must always only be specified ex post by, for example, creating new empirical investigations or even theoretical set pieces from Marx's minoritarian texts.

In capitalism, productions and the corresponding monetary transactions must constantly take place, and if this procedure is interrupted for whatever reason, then the companies lose money or assets, and this is exactly the empty space into which the credit springs, which finally makes it possible to anticipate or prefer both production and purchase/sale of goods. Thus the current payments of a debtor who enters into a credit relationship can be substituted by the creditor for a certain period, and this always happens under the condition that at a contractually fixed point in time the creditor-debtor accounts are settled (with

which the principle repayment of the debts remains assumed). With the establishment of the capitalist credit system, a clear temporal tendency towards acceleration develops within the framework of the stabilization of differential capital accumulation, because the functioning capital, as Marx has called industrial capital in its analytical separation from financial capital, is now able to make new investments on the basis of the credit at an early stage, i.e. before it even has at its disposal sums of money resulting from the sales of the package of goods produced in a given production period. The acceleration, expansion and growth of the capitalist economy cannot be understood without the presence of the capitalist credit system. And one should make sure that this credit system is not regulated by the state (qua central bank) or by a certain community, but takes place in between the social and economic relations of capital, because no political system is or has been able to construct or design the credit system according to its own disposition or factor in the long run, it can only guarantee the legal framework for the credit system, so that the political system and its strategies always remain dependent on the economy of the credit system. Under the credit system, the self-utilization of capital no longer appears as the result of a "will to accumulation," but rather, from now on, differential accumulation in and with its (non-ontological) incompleteness becomes totally compulsive, with the final payment apparently being postponed indefinitely. At the same time, however, it must be taken into account that credit includes a specific temporal relation between finiteness and infinity, namely to domesticate the caesura of anticipation and postponement in the credit business for the individual case in such a way that at a certain point in time the debts are actually repaid. The credo of the credit included in it really has it in itself, insofar as even debts can continue to circulate as claims in the form of securitisations, without there in the iterative concatenations still without further a last addressee would be to be still determined, whom one could draw for the immanent risk possibilities within the creditor debtor concatenation to the responsibility. Crediting is and remains a matter of time, i. e. it is to be assumed that scheduling takes precedence over contingency by stopping it if, for example, temporary work must simply be carried out in the course of credit fulfilment, which at this point prevents the free fall into infinity or timelessness.

Lyotard has attempted in his writing on the libidinal economy to give a concise definition of credit money: "Real capital money is not a treasure, nor an earth, but a relationship – a power relationship, for one must have the power to give something in advance by granting credit, and the power to profit from it by proving oneself solvent; but it is also a relationship of the separation of desire from oneself, of the inhibition and rejection of libidinal energies [...] capitalist money is in a sense only given and withdrawn time, anticipated and retarded time. Money is an erotic and deadly affair." (Lyotard 1984: 288) Then Lyotard asks himself how a system (which, among other things, controls and regulates itself through the use of permanently newly added axiomatics) constantly contains goods of which it is not yet certain whether they have a monetary equivalent or a monetary value. The companies that are able to produce, or that are able to produce, are updated in circulation, or how a company can succeed in making new investments without the corresponding money already being booked in the company's accounts at the beginning of the new production period through the sale of goods produced in a previous production period.

The question of investing in fixed capital, which companies apply over several production periods, whereby it only gives its value to products in time packages or intervals, leads directly to the problem of financing, because groups or dominant companies in particular invest in a large and capital-intensive stock of fixed capital (e.g. B. factory halls and machines), which in turn requires the use of large amounts of money capital – and these monetary means could hardly be raised by companies of a certain size under the specific capitalist production conditions of the 19th and 20th centuries purely with the means of self-financing. The Marxist economist Ricardo Bellofiore responds to this problem within the framework of his "macroeconomic-monetary reconstruction of the value theory based on abstract labour" (cf. Bellofiore 2011: 306ff.) as follows: The amount of money lent by a bank to an enterprise (but it can also be the self-financing of the enterprise) so that it can open the next production period is *ex ante* still without "value", since this money is not about the realization of goods; rather, the money advanced by the banks is initially based purely on their own calculatory analyses, which focus on the expected return of the enterprise to be credited and are thus based on an always uncertain "*ex ante* validation of production". (ibid.: 323) (The bank would have to lie in the sender's position if it claimed that it could see everything and keep it transparent with regard to the future of the recipient himself).

Let's take a closer look at the process: The exploitation of money capital is called process as end in itself – money that creates more money – i. e. the reality of capital is the power of money as such. If one now extracts a quite decisive section of the permanently running capital metamorphoses within the diverse accumulation cycles, then certain places in them are occupied by subjects by actively assuming a role and also playing through it. The place of capital is occupied *per se* by at least two subjects, namely the money capitalist and the functioning capitalist, so that from the outset one must not abstract from the circulation of interest-bearing capital.

With the disbursement of the loan, the company can lease out wage earners and purchase machines, raw materials, buildings, etc., in order to be able to count on the realization of profits in the circulation after the end of a coming production period, so that in the end it only becomes apparent *ex post* whether the company was actually able to realize satisfactory profits in order to at least repay the loan plus interest to the bank from the profit. Here the doubling of the capital is shown as the division of the gross average profit realised by the reproductive capital into net profit and interest. Money is given a new purpose in credit, namely as potential capital that has the utility value to function purely as money capital, with Marx describing interest-bearing capital as a commodity whose price is interest. And the advance money capital, increased by the industrially produced profit, may after a successfully completed period of production and circulation of the individual capital either be reinvested in production or optionally invested in the financial markets, and then possibly flow back again into the "real economy". A sharp conceptual separation of real and financial economy seems impossible from the beginning of the internal history of capitalism; on the

contrary, capitalist economy permanently follows the monetarization as if money had to be constantly injected into it from the outside, with which the extreme risk of a dissemination of money as capital already appears, which in interest-bearing capital is oriented toward purely monetary utilization with regard to concentration on future interest payments, without apparently taking the detours of production. (Cf. Deleuze/Guattari 1974: 305f.) The functions of the credit system as an institutional ensemble of the banking sector and the money capital markets consist, among other things, in distributing money capital and thus enabling the corresponding equalization movements of the profit rates, which assert themselves through differential accumulation, more quickly. The credit system must therefore be regarded *sui generis* as a structural instance for accelerating, regulating and controlling all reproductive processes in capitalism. When Marx speaks of money capital as a source of production, then he refers to precisely this connection, insofar as the credit system fulfils the above functions within the framework of socio-economic development. demand for liquid capital and therefore cannot determine the profit that the productive capital generates. (Cf. Mandel 1991) To the extent that money is held as collateral, the supply of money can be reduced by increasing the savings ratio, whereupon the interest rate normally rises. Keynes has pointed out this fact, linking it to the willingness of wealthy actors to forego immediate liquidity (interest is the price of this foregoing: liquidity premium), while Marx ties the movement of the interest rate more strongly to the competition between capitalist creditors and debtors and thus to the cyclical cycles of accumulation (while in the crisis the interest rate rises, it is low in prosperity). Interest thus functions as a medium that conveys the present and the future on the one hand, and links the sphere of production and the monetary sphere on the other. On the other hand, it articulates options and allocative functions with regard to investment decisions that are held in readiness by the institutions of fictitious and speculative capital *per se*. Although Marx sees the allocative or regulating function of the interest rate, which is determined by its amount, he clearly prefers the distributive function of interest, i.e. the aspect of splitting into interest and corporate profit. (Profit rate and interest rate are linked with regard to the allocative function of the interest rate in such a way that, for example, even profitable investments can fail to materialise if the required interest rate is too high.)

The capital always operates with the code profit/non-profit, whereby asset and capital values are normally destroyed in loss transactions, at least to the amount of the interest that the company owes itself or the borrowed capital. If a company produces goods or services, then one must therefore first of all regard the money capital that initiates the production as negative capital, which the company virtually lends to itself or from other companies/banks in order to repay it as repayment of the loan plus interest. Since no enterprise, be it industrial or mercantile, can initiate reproductive production processes without borrowing money capital, it must calculate the "price" of the money capital, the interest, as costs, as advance costs, even if the enterprise only uses equity capital (in this case the enterprise has to pay the interest itself as capital property). Thus the owners of capital remain continuously induced to treat equity as debt. In the economic calculation, interest does not only appear as a cost parameter and this as a constitutive element of the market price, but the interest rate is also regarded as an alternative utilization rate for newly invested money capital and thus influences the future accumulation of capital in its allocative function. With the help of calculations that are estimated as opportunity costs in the business calculation, the company is forced to permanently check whether it has missed or missed better opportunities due to the respective capital input/investment. It is therefore always necessary to take into account the interest rate that is possible in principle, but which may not have been realised, when planning investment decisions. To calculate the profitability of reproductive investments, companies use various financial mathematical methods of investment calculation, e.g. the net present value method and the internal rate of return method. In the business planning calculation, the net present value is usually used to estimate future investment projects. By determining a time point t_0 , the net present value of an investment is calculated using the discount factor: $1/(1 + \text{market rate of interest})$. This can easily be related to the capitalization formula of Bichler/Nitzan: With this, the value of the respective investment is calculated as a relation of interest rate r (expected profits) and current profits E , so that the following formula is obtained: $K = E/r$. (Bichler/Nitzan 2009: 185) Accordingly, capital would actually not be to be understood as an (absolute) positive value, as Schumpeter himself, for example, still assumed, but as a relational dimension, whereby the intensional negative (of capitalized money that does not belong to any quantity of goods) is to be understood as a positive condition for capitalist production, as Peter Ruben, for example, explained – capital or capitalization is also debt production *sui generis*. (Ruben 1998: 53) In many cases, one can see that

Because of its incredibly believable ability to lend, money capital seems to generate an increase in itself, proportional to the time it is borrowed (termination). Money capital as credit thus transforms itself into a social machine that first and foremost sets and presupposes the relationships, encounters and power relations of the various capital fractions by simultaneously, with its radically self-referential forms of movement, rendering unrecognizable the transits, transformations and translations (production) necessary for the multiplication of money. (Cf. Perniola 1998: 80f.) For Marx, filtering out this meant deciphering the fact that the structural fixation of the quantitative division of gross profit into corporate profit and interest leads to a qualitative division, insofar as one can divide the two parts of profit into independent (institutional and legal) areas. It seems that the two parts of the profit actually come from two different sources, as if the interest-bearing capital, which involves the separation between the ownership of monetary capital and functioning capital, is not presupposed to be the profit of the reproductive capital, but is itself the sole source of interest and entrepreneurial profit. (MEW 25: 383f.) Whereas financial capital is now interested exclusively in the exploitation of its money capital, the interest for the acting capital appears as a cost factor, so that the structural split of corporate profit and interest simultaneously articulates itself as an internal class opposition between two different capital fractions within the ruling class. Furthermore, at this point the corporate loan is to be defined as an advance which, to speak once again with Bellofiori, at least with regard to industrial production, makes the distinction between paid/unpaid labour and unpaid labour,

respectively, the difference between the two categories of capital. between necessary labor/overtime, whereby profit/interest, which industrial capital has to discard with its utilization, is based on the specificity of a capitalist production process in which dead, past labor comes into contact with living labor, which in turn is made unrecognizable by the credit business with its pure money-money translations.

The credit relation between financial and functioning capital generates a sum of money anticipating the production and realization of goods, whereby the money borrowed from an industrial enterprise for the purpose of organizing and carrying out production processes is present as a negative value to it and therefore logically appears in the enterprise's books under the title "Debet". In *Anti-Oedipus*, Deleuze/Guattari speak of an "instantaneous creative stream of indebtedness" with regard to the economy of the banks, which the banks generate, among other things, against themselves and which is inscribed on the body of bank capital as negative money, which is recorded as a liability on the liabilities side of the balance sheets. (Deleuze/Guattari 1974: 305) Capital thus always represents the indebtedness of an enterprise either to itself (equity capital) or in relation to borrowed capital, whereby the enterprise must then realize at least repayment and interest on the borrowed money by means of production processes and the sale of goods, and this includes the generation of profit, which according to Marx splits into interest and corporate profit. (MEW 25: 386)

For Marx's theory of interest, it is therefore constitutive to fix interest as a part of profit or added value, from which the division of the gross profit rate into the rate of entrepreneurial profit (net profit rate) and the interest rate results. (ibid.: 388) The long-term average interest rate must be below the gross profit rate. At the same time, Marx defines interest rates as a purely monetary category, similar to Keynes and the post-Keynesian theory, which remains outside the real economic processes and cannot be directly influenced by them. Thus, economic theory succeeds in taking into account influencing variables such as the policies of central banks or the determination of the risk potential of money capitalists with regard to the development of differential capital accumulation and its monetary articulations. Here Marx assumes a "trilateral distribution conflict" (Hein) between industrial enterprises, financial capital and wage earners, with which he immediately addresses the relationship between industrial profit rate, interest rate and real wage, which always remains related to the differential accumulation of capital. Ernest Mandel has pointed out that only with Keynes would it have become clear again within the bourgeois economy that interest rates as a result of the movement of supply and demand for liquid capital and therefore cannot determine the profit that the productive capital generates. (Cf. Mandel 1991) To the extent that money is held as collateral, the supply of money can be reduced by increasing the savings ratio, whereupon the interest rate normally rises. Keynes has pointed out this fact, linking it to the willingness of wealthy actors to forego immediate liquidity (interest is the price of this foregoing; liquidity premium), while Marx ties the movement of the interest rate more strongly to the competition between capitalist creditors and debtors and thus to the cyclical cycles of accumulation (while in the crisis the interest rate rises, it is low in prosperity). Interest thus functions as a medium that conveys the present and the future on the one hand, and links the sphere of production and the monetary sphere on the other. On the other hand, it articulates options and allocative functions with regard to investment decisions that are held in readiness by the institutions of fictitious and speculative capital per se. Although Marx sees the allocative or regulating function of the interest rate, which is determined by its amount, he clearly prefers the distributive function of interest, i.e. the aspect of splitting into interest and corporate profit. (Profit rate and interest rate are linked with regard to the allocative function of the interest rate in such a way that, for example, even profitable investments can fail to materialise if the required interest rate is too high.)

The capital always operates with the code profit/non-profit, whereby asset and capital values are normally destroyed in loss transactions, at least to the amount of the interest that the company owes itself or the borrowed capital. If a company produces goods or services, then one must therefore first of all regard the money capital that initiates the production as negative capital, which the company virtually lends to itself or from other companies/banks in order to repay it as repayment of the loan plus interest. Since no enterprise, be it industrial or mercantile, can initiate reproductive production processes without borrowing money capital, it must calculate the "price" of the money capital, the interest, as costs, as advance costs, even if the enterprise only uses equity capital (in this case the enterprise has to pay the interest itself as capital property). Thus the owners of capital remain continuously induced to treat equity as debt. In the economic calculation, interest does not only appear as a cost parameter and this as a constitutive element of the market price, but the interest rate is also regarded as an alternative utilization rate for newly invested money capital and thus influences the future accumulation of capital in its allocative function. With the help of calculations that are estimated as opportunity costs in the business calculation, the company is forced to permanently check whether it has missed or missed better opportunities due to the respective capital input/investment. It is therefore always necessary to take into account the interest rate that is possible in principle, but which may not have been realised, when planning investment decisions. To calculate the profitability of reproductive investments, companies use various financial mathematical methods of investment calculation, e.g. the net present value method and the internal rate of return method. In the business planning calculation, the net present value is usually used to estimate future investment projects. By determining a time point t_0 , the net present value of an investment is calculated using the discount factor: $1/(1 + \text{market rate of interest})$. This can easily be related to the capitalization formula of Bichler/Nitzan: With this, the value of the respective investment is calculated as a relation of interest rate r (expected profits) and current profits E , so that the following formula is obtained: $K = E/r$. (Bichler/Nitzan 2009: 185) Accordingly, capital would actually not be to be understood as an (absolute) positive value, as Schumpeter himself, for example, still assumed, but as a relational dimension, whereby the intensional negative (of capitalized money that does not belong to any quantity of goods) is to be understood as a positive condition for capitalist production, as Peter Ruben, for example, explained – capital or capitalization is also debt production sui generis. (Ruben 1998: 53) In many cases, one can see

that once from the self-financing of the enterprises, capitalist production processes *uno actu* with a credit contract set in motion. Thus in capitalism the continuous iteration of payments, that spiral of solvency and insolvency, is opened that resembles more a logarithmic spiral than a circle (the circle is a special case of the logarithmic spiral, namely a spiral whose growth equals zero).

The sociologist Dirk Baecker writes with regard to the introduction of double-entry bookkeeping, quoting Sombart, that the “capitalist enterprise is simultaneously called company, *ditta* and *ratio* in different European languages”. (Baecker 2011) Because an entrepreneur with his signature (“*firma*”) guarantees to treat debt capital as equity capital (and vice versa), he is creditworthy (“*ditta*”), whereby the break (“*ratio*”) between debt capital and equity capital appears necessary at least as an analytical prerequisite for the existence of the company and then the reasonable, calculating and calculating performativity of money “in the network of factually, socially and temporally determined opportunities”. (Ibid.) Double-entry bookkeeping, invented in 1494 by Luca Pacioli, a Franciscan monk, professor of mathematics and friend of Leonardo da Vinci, should be seen in this context as an achievement of civilisation, whereby this type of economic recording system actually makes it possible to record assets as debts and debts as assets, so that money capital always appears under two aspects in the balance sheet: a) as equity or debt capital, which is made available for use under specified modalities (liabilities), and b) as application of the corresponding monetary capital (assets). This calculation language, which according to Baecker contains both a positive language (affirmation of facts) and a negative language (revaluation of facts), refers in turn to the power relationship between creditor and debtor already mentioned above in Lyotard’s text, whereby credit questions are always also questions of ownership and time-indexed questions of coding, indeed questions of writings, whose virtualization, however, today can hardly be tamed through all axiomatizations, if, for example, credits multiply like chain letters. And all this would not have been possible without the introduction of the Arabic numerals in the northern Italian region of the 14th century, since only in and with the Arabic numerical system did zero become conceivable as a meta-number, and thus a fact that had not previously been possible for occidental thought in this way: a number that, like money, means nothing but produces the meaning of all other numbers, a meta-sign or an empty sign that allows having to be set off at the same time as not having as every item of assets at the same time as liabilities. (Ibid.) (In the balance sheet of a company, not only are flows such as income and expenditure compared, but also stock figures are shown in their relations; the changes in stock result from the flows).

The creditor-debtor relation is always dependent on forces acting within the power relations of actors who enter into these relations as legally fixed owners or as non-owners. The sociologist Gabriel Tarde has already described every fixed price, wage or interest as a dispute that is frozen for the moment and that could break out again at any time, if the appropriate means of power were used. (Cf. Latour/Lepinay 2010: 71f.) Although even narrower intervals apply to the range of the interest rate in contrast to other economic variables related to the future, such as yield or profit (with Marx’s assumption, the interest rate that must be paid by a company can only oscillate between zero and the average profit rate, cf. MEW 25: 370), it is above all the fluid competitive and power relations between the various dominant and less dominant capital fractions that determine how high the current interest rate is within a given interval, in addition to the policies of state institutions such as the central bank. The fixing of the interest rate by supply and demand for money capital points to the degree of utilization of the interest-bearing money capital itself, whereby the interest rate is regarded as the excrement of an advance sum of money, so that the interest rate is also evidence that the money capital now enters into a relationship with itself without the detours of production. In the capital markets, something like an average of the interest rate is determined by the supply of and demand for money capital, whereby these markets are divided into the so-called money market, the market for short-term money capital, and the capital market, the market for long-term money capital.

It is therefore also necessary to distinguish between an average money market interest rate and an average capital market interest rate, the latter generally being higher than the former. Within the different sections of the capital markets, interest rates differ according to the power relations, which are expressed in the creditors’ capacity to act and the debtors’ creditworthiness. And in contrast to an empirically undetectable average profit rate, the fluctuating interest rates can be written down as variables at any time with a given maturity and creditworthiness.

When Deleuze/Guattari write that it is in some way the banks that reproduce both the economic system and the wishful occupation, then libidinous economic processes are incessantly mobilized with the credit relation, which presupposes a specific form of trust and faith on the part of the creditor and the promise of future profits on the part of the (industrial) debtor. (Deleuze/Guattari 1974: 295) And thus the specifically capitalist, the anonymous credit, which incidentally has nothing to do with mere usurious transactions at all, becomes an essential condition of capitalization in general, by increasing the potency of each functioning capital to possibly be able to produce profitably in the future, whereby it can relatively free itself from dependence on the successes already achieved on competitive markets. Precisely because the correction mechanisms of competition as the dominant market structure in capitalism (as opposed to the monopoly) impart certain exploitation structures and dimensions to individual capital (the market here is neither to be thought of as a deviation nor purely as an execution of the capital relationship), although the capital ratio determines the market in the last instance, no (industrial) enterprise seems to be able to do without borrowing, and this in structural dependence on financial capital, which itself functions as tearing (in the double sense of sweeping along or tearing apart) money capital flows that the banks create as debts to themselves, d. The (industrial) enterprise is not able to do without borrowing. h., They thus deepen a negative money in order to project positive money out of it (credit that the banks grant to the functioning capital.) And we do not want to forget from the outset that credit relationships in capitalism always include relationships of power between actors, for example. This type of credit relationship plays a not insignificant role in

capitalism, so that it can be stated with Maurizio Lazzarato that consumer loans today imply a largely deterritorialized and transversal power relationship that the dualisms productive/unproductive, consumer/enterprise, labor/unemployment, etc., are based on. The dualisms become increasingly fluid, in order to ultimately cross almost all strata of the population and their subjectivations. (Lazzarato 2012: 85) Finally, it should be noted that, from the perspective of the lender (as the personification of interest-bearing capital), the money lent is per se treated as capital – initially regardless of whether a borrower uses the money lent for investments, to finance pensions or to buy a new car, which of course also implies that the borrower does not necessarily have to function as an industrial capitalist.

The fact that an (industrial) enterprise in the function of the borrower must measure its realised profit against the (negative) total advance of the invested capital (equity plus borrowed capital) corresponds to the securitised right of the lender to a sum of money which implies a contractually fixed growth rate of its borrowed money, which, according to Marx, must in turn be paid out of the profit of the operating enterprise, irrespective of the amount and rate of the profit or whether it came about at all. The profit or return that the company wants to secure or increase by taking out a loan is at the same time regarded as the legally fixed obligation of the credited business relationship, with which the power relationship between lender and borrower and the resulting struggle for the level of interest is put on a permanent footing. The temporary renunciation of the lender's own money capital and the associated deferment of payment are to be compensated, which means nothing more than that the lent capital is to be increased, namely with the exact proportion contractually fixed in the interest rate. And in order to minimise uncertainties of any kind in this lending business, it seems necessary to negotiate the conditions of the granted loan precisely, securities, maturities, interest rate, Project planning of production, investment projects etc. Although the borrower can now immediately dispose of the negotiated sum of money with the conclusion of the loan agreement, the bank will check its securities and at the same time evaluate the purpose of the loan before fixing it contractually, after which the parameters such as term, interest conditions, etc. are finally fixed. And thus the power of disposal of the acting capital over the borrowed money appears limited from the outset, because with the securities the bank holds more than just the pure legal claim to repayment of the loan and the corresponding interest payments, so that in the event of insolvency of the acting capital the bank mutates into the new owner of the industrial enterprise, i.e. credit coagulates into the equity capital of the bank.

If a credit agreement is now concluded between two owners (e.g. between financial and functioning capital), the industrial capital (as debtor) receives a certain sum of money and thus gains a new freedom of disposition, while the creditor lets himself be compensated for the renunciation of his property as well as his property premium, which he has accrued by borrowing the money, "replaced" rate by rate with the right to more – by the interest.¹ The debtor, insofar as he functions as an industrial enterprise or as a service enterprise, is simultaneously granted time with the sum of money (every loan is in the medium of time) to make new investments, to set new projects in motion and consequently also to realise these (and this always in competition with other debtors on the markets) in order to repay more money to the lender by the end of the agreed credit period than he received from it at the beginning of the credit agreement. When the credit agreement comes into force, the creditor owes the lender a sum of money and the debtor undertakes to pay interest in proportion to time and to repay in due time the sum agreed in the credit agreement which has been paid out, a strange equivalence which is put into practice, for quite contrary to the equivalent exchange, this non-equivalence has its (last) measure of the repayment guarantees of the debts projected into the future, whereby the corresponding dispositives, as Nietzsche has already shown, sometimes proceed with extreme force in order to finally force repayment. (Cf. Lazzarato 2012: 49f.) (Credit agreements are recording areas in which repayment and payment of interest are determined in detail, so that the credit thus defined can be split into a large number of equal parts. On the one hand, this ensures that the debtor's credit terms do not change as a result of the resale of a borrower's note; on the other hand, creditors know exactly what they can demand from a debtor, i.e. they only have to assume a tranché default risk by assuming a certain share of the credit.) In this transaction, therefore, by no means equivalent amounts of money are exchanged, but rather sums of money against the right/obligation to increase them. In the sense of assignment and counter-assignment, time is also exchanged by the creditor lending time, while the counter-assignment is extended in time as repayment of the loan and payment of interest, the debtor is granted the deferment of time to realize his projects, whereby the promise of repayment extends to a calculated and at the same time unforeseeable future. This includes the bifurcation of the debtor, who is unable to assess even the unpredictable or to smooth out or even eliminate the differences between the two futures. The time in which the money is blocked for the owner is initially lost to him as if he himself had blocked the money, and exactly this is to be compensated with the respective interest payments of the debtor, while the debtor remains compelled by the time constraint of the money, which is written down in the loan agreement and generates a specific time pressure, to operate the production, the flow of living labor as coupling to the movement of the machinery, as economization of resources, project planning, and technical innovation, etc. The debtor is forced to use the time constraint of the money, which is written down in the loan agreement and generates a specific time pressure. (Cf. Lyotard 1989: 284)

Marx essentially presents three functions of credit: (a) maintaining and extending the accumulation of capital, (b) shortening the turnaround and circulation times of capital, and (c) enabling the production of average profit rates in and between different sectors. (Cf. MEW 25: 451f.) In the latter case, Marx sees the decisive function of credit in enabling profits to be transferred from the sector in which they were generated to a more profitable sector. As a result, at the level of total capital, capital transactions can interlock more quickly on the basis of credit, while at the level of individual capital the realization of goods in money is anticipated by commercial credit and at the same time the phase of formation of money capital upstream of production is substantially shortened by investment credit, which in turn can accelerate the accumulation processes of total capital, but does

not necessarily have to accelerate them, because under certain conditions crediting also leads to deceleration or disruption of the accumulation process. Marx writes: "The necessary tendency of capital, therefore, circulation without circulation time, and this tendency is the basic determination of credit and credit contrivances of capital". (MEW 42: 50) In this context, the immanent size growth of the individual capital, the associated high share of fixed capital and the increasing demands on logistics and research imply that any delay in the turnover of capital puts the existence of the company at risk, whereby, after all, ever larger sums of money capital are necessary in order to continue one's own business at all. The higher the capital expenditure (high fixed cost block) or the stronger the companies are coupled to the circulation (transport, warehousing, unsaleability of goods etc.), the more necessary it becomes to train a complex credit system in capitalism.

To sum it up. As a rule, the investments of the acting individual capital are oriented to the relation between the expected profit rate and the current interest rate, whereby the latter reveals something like a measure of the minimum return initiated by an investment in a coming period. According to Marx, the intra- or intersectoral average profit rate represents the upper limit for the interest rate in each case, since the interest rate is ultimately to be paid from the profits realised by the companies. According to Marx, this division of profit into interest and entrepreneurial profit is regulated by "no general law", but follows the cyclical and cyclical fluctuations of capital accumulation as well as the constantly changing relationship between supply and demand for money capital, the institutional conditions of the banking system and, last but not least, the historical power relations between the classes and class fractions. (MEW 25: 376) The Marxist economist Anwar Shaikh, who has presented comprehensive analyses of the structural conditions as well as the historical development of capital accumulation and profit rates in the USA, writes: "What stimulates accumulation is not the profit rate but the profit rate net of the cost of borrowing capital, ie the interest rate. If the profit rate is flat and interest rates are falling, the incentive to accumulate is kept alive, though it's kept alive artificially" ² Ultimately, according to Shaikh (disregarding the mass of profit), it is the current interest rate at which the individual capital orients itself with regard to its own profitability analyses and which influences its investment decisions. If interest rates are also low at given low profit rates, companies may be able to prolong their liquidation, which Shaikh calls artificial accumulation of capital. However, the opposite case can also be assumed: As long as an extraordinarily high industrial profit rate far exceeds the interest rate, it can even be profitable for industrial capital to borrow relatively expensive loans, a process that leads to reciprocal progressions between investment and interest rate, but this appears to be a purely temporary matter, because the acceleration of accumulation ultimately promotes the factors that lower the profit rate and may lead to over-accumulation of capital.

¹Heinsohn/Steiger (Heinsohn/Steiger 2009) derive money logically-historically from the credit agreement, whereby (immaterial) property appears as the legal construction of exclusion and thus not ownership (ability or right to use something) as the indispensable prerequisite for a loan to be granted by an owner by lending his property quasi as a pledge to a borrower, a pledge that functions as money because it includes a (recoverable) claim to the lender's property. Because the owner pledges his property and thus also gives up his property premium, he can now demand interest from the borrower, which also means, however, that in order to be able to make repayment and interest payments, the borrower must become "productive", either generate added value or realise more property claims on the market than he himself has handed over. Now, this type of logical-historicalThe fact that money is derived logically and historically from the credit contract does not, however, explain at all how the monetary substitutes, which stand for the pledge that the lender issues for his property, can serve as money, because these monetary substitutes already presuppose the social validity of money, regardless of whether it is expressed as a form of money, as the result of taxes collected by the state, or as the result of exchange or credit. Otherwise, no one would ever accept these substitutes as means of payment, be they any notes or tablets.

² Anwar Shaikh quotes from : International Socialism. Marxist accounts of the current crisis. In: <http://www.isj.org.uk/?id=557>

← PREVIOUS NEXT →

META

CONTACT

FORCE-INC/MILLE PLATEAUX

IMPRESSUM

DATENSCHUTZERKLÄRUNG

TAXONOMY

CATEGORIES

TAGS

AUTHORS

ALL INPUT

SOCIAL

FACEBOOK

INSTAGRAM

TWITTER